

Message Text

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PAGE 01 STATE 047814

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FM SECSTATE WASHDC

TO AMEMBASSY AMMAN IMMEDIATE

S E C R E T STATE 047814

NODIS

FOLLOWING IS REPEAT JIDDA 1453, SENT SECSTATE 27 FEB 76

QUOTE S E C R E T JIDDA 1453

NODIS

FROM THE CHARGE

E.O. 11652: GDS

TAGS: MASS, PFOR, JO, SA, US

SUBJECT: HAWK FINANCING--MEETING WITH CROWN PRINCE FAHD FEB 28

REF: (A) AMMAN 1034, (B) AMMAN 1047

1. AS AMBASSADOR PICKERING POINTS OUT, THE BAD NEWS IN AMMAN'S REFTELS SHOULD NOT BE THE LAST WORD ON HAWK FINANCING FOR JORDAN. I NOTE IN PARTICULAR THAT WHEN THE SAG OFFERED KING HUSSEIN \$300 MILLION FOR HIS AIR DEFENSE, IT REFRAINED FROM ADDING "AND NOT A PENNEY MORE." SAUDIS KNOW THIS AMOUNT IS NOT ENOUGH FOR JORDAN'S IMPROVED HAWKS, BUT THEIR LONG EXPERIENCE WITH COST OVER-RUNS MAY CAUSE THEM TO BE WARY ABOUT MAKING A FIRM ADVANCE COMMITMENT FOR SUMS THAT APPEAR LIKELY TO EXCEED

SECRET

SECRET

PAGE 02 STATE 047814

\$700 MILLION. QUITE A LOT OF MONEY EVEN IN SAUDI ARABIA.

THE SAUDIS MAY CONSIDER THEY WILL BE IN A BETTER POSITION TO CONTROL AND MONITOR COST ESCALATIONS, BY COMMENCING WITH THE SMALLER AID FIGURE, AND REQUIRING INCREASES TO BE NOGTIATED AND JUSTIFIED SEPARATELY. THE SAG IS FAMILIAR WITH SUCH A PROCEDURE FROM THE MANY LARGE, "FIXED BIDS" CONTRACTS IT AWARDS YEARLY." VIRTUALLY NONE OF THESE HAVE, IN THE EVENT, PROVED INELASTIC.

2. NEEDLESS TO SAY, THE SAG WOULD BE DISMAYED BY THE ENTRY OF A COMPLEX SOVIET WEAPON SYSTEM INTO JORDAN, ACCOMPANIED BY HUNDREDS OF RUSSIAN ADVISORS. SUCH A DEVELOPMENT WOULD THREATEN SAUDI ARABIA'S SENSITIVE NORTHER FRONTIERS; SAUDIS WOULD SEE IT ALSO AS TENDING TO ACCELERATE JORDAN'S ALIGNMENT WITH SYRIA, AT THE EXPENSE OF JORDANIAN RELATIONS WITH EGYPT.

3. I THINK IT WOULD BE WORTHWHILE WHEN SEEING FAHD WITH SECRETARY SIMON AT 1630 LOCAL TOMORROW AFTERNOON (FEB 28) THAT I TAKE SOME TIME TO RAISE THE HAWK QUESTION WITH HIM. SINCE THE AMOUNT OF DISCUSSION TIME MAY BE LIMITED, COULD WE ALSO PRESENT HIM WITH A LETTER ALONG THE FOLLOWING LINES?

"YOUR ROYAL HIGHNESS:

HIS MAJESTY KING HUSSEIN HAS INFORMED US OF HIS GRATITUDE AT THE \$300 MILLION HIS MAJESTY KING KHALID BIN ABD AL-AZIZ HAS AUTHORIZED AS A PAYMENT TOWARD JORDAN'S AIR DEFENSE SYSTEM.

AS HIS MAJESTY'S GOVERNMENT KNOWS, THIS AMOUNT IS NOT SUFFICIENT TO FUND THE AGREED UPON PROGRAM. KING HUSSEIN HAS TOLD US THEREFORE THAT HE HAS NO RECOURSE NOW BUT TO SEEK SUCH AN AIR DEFENSE SYSTEM FROM OTHER SOURCES, INCLUDING THE USSR. HE DOES THIS WITH DEEP RELUCTANCE, BUT FINDS IT MILITARILY AND POLITICALLY MANDATORY THAT HE PROVIDE JORDAN WITH AN AIR DEFENSE SYSTEM. THE TERMINATION OF PLANS FOR JORDAN TO DEVELOP ITS AIR DEFENSE ABOUT THE IMPROVED HAWK MISSILE, WILL REQUIRE JORDANIAN MILITARY TRAINEES ON THE SYSTEM TO BEGIN TO RETURN TO JORDAN AFTER FEB 29. THE EVIDENT COLLAPSE OF AIR DEFENSE
SECRET

SECRET

PAGE 03 STATE 047814

PLANS BASED UPON COOPERATION WITH UNITED STATES, MAY PROMPT KING HUSSEIN TO REACT AS HE CONSIDERS APPROPRIATE. WE TAKE HIM THEREFORE AT HIS WORD.

IS THE OFFER OF ASSISTANCE MADE BY HIS MAJESTY KING KHAOID NECESSARILY THE SAUDI ARABIAN GOVERNMENT'S FINAL POSITION? COULD THE GOVERNMENT OF JORDAN LOOK FORWARD TO DISCUSSIONS WITH THE SAUDI ARABIAN GOVERNMENT ON FURTHER ASSISTANCE

AS THE HAWK PROJECT TAKES SHAPE? COULD THE SAUDI ARABIAN GOVERNMENT USE ITS GOOD OFFICES ON JORDAN'S BEHALF WITH SOME OF THE FRIENDLY STATES OF THE ARABIAN PENINSULA?

IF YOUR ROYAL HIGHNESS CAN GIVE JORDAN AND THE UNITED STATES SOME INDICATIONS THAT ADDITIONAL FINANCING OF THE HAWK PROJECT FOR JORDAN COULD BE OBTAINED, WE WOULD TRY TO KEEP OPEN THE LETTER OF OFFER AND ACCEPTANCE FOR THE 14 HAWK BATTERIES BEYOND THE FEB 29 EXPIRY DATE. BUT IT SHOULD BE UNDERSTOOD, AS YOUR ROYAL HIGHNESS ALREADY HAS BEEN INFORMED, THAT THIS WOULD REQUIRE AN INCREASE IN THE ESTIMATED COSTS OF THE PROJECTS, AND SLIPPAGE IN THE DELIVERY SCHEDULES.

THE INTRODUCTION OF A COMPLEX SOVIET WEAPONS SYSTEM INTO JORDAN AND OF HUNDREDS OF RUSSIAN ADVISORS, WOULD THREATEN MODERATE INTERESTS IN A STRATEGIC AND SENSITIVE PORTION OF THE EASTERN ARAB WORLD.

MY GOVERNMENT WOULD ACCORDINGLY DEEPLY APPRECIATE BEING INFORMED OF ANY VIEWS YOUR ROYAL HIGHNESS OR HIS MAJESTY'S GOVERNMENT MAY HAVE REGARDING JORDAN'S NEEDS FOR AN AIR DEFENSE SYSTEM. /S/ HUME HORAN, CHARGE D'AFFAIRES ETC."

4. REQUEST DEPT PASS TO AMMAN. HORAN UNQUOTE. KISSINGER

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